



LGF Reform and Pensions Team
Benefits Consultation
Ministry for Housing, Communities and Local Government
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Please ask for: Yvonne Caddock

Date: 28 November 2018

c/o LGPensions@communities.gsi.gov.uk

Dear Sirs

Consultation on Local Government Pension Scheme Technical Amendments to Benefits

I refer to the above mentioned consultation document and I am responding to the invitation for comments on behalf of Wirral Council in its capacity as the Administering Authority for Merseyside Pension Fund (MPF).

The Fund is part of the Local Government Pension Scheme (LGPS) and the 4th largest of the 88 funds in England and Wales, with assets of £8bn. MPF undertakes the LGPS pension administration and investments on behalf of the five Merseyside district authorities, over 180 other employers on Merseyside and elsewhere throughout the UK. The Fund has over 130,000 active, deferred and pensioner members.

1/ Equitable Treatment for Survivor Benefits

The Fund supports the Local Government Association's response dated 23 November 2018; as this concentrates on matters that we also believe the Government should carefully consider, before reaching any conclusions and the formalisation of any overarching policy.

Whilst the proposals in relation to same-sex survivors are understandable following the recent Supreme Court judgement on the case of Walker v Innospec, it is difficult to see how the Government could legitimately maintain the differential treatment for widowers in an opposite-sex marriage.

Once the proposed changes are in force, a female member in an opposite-sex marriage will have a strong argument for inequality on the grounds of sexual orientation; given that the widower's benefits paid in respect of her LGPS membership are less favourable than the more generous widow's benefits payable if she were in a same-sex marriage.

The contingent benefits payable to cohabitating partners are also inferior to the benefits that will be payable to survivors of civil partners or same sex marriages, further compounding the inequalities that the proposals would generate.

The Fund further support's the LGA contention that inequitable payment of survivor benefits to the above mentioned membership cohorts will inevitably lead to further legal challenge and an unwelcomed drain on administering authority resources.

2/ Power to issue statutory guidance

The Fund acknowledges that it would be useful to provide more flexibility within the regulatory framework through the issue of statutory guidance as, the inflexibility of the LGPS regulations often creates problem for funds, as the drafting of the regulations is frequently prescriptive.

In addition, the inordinate delay in Parliamentary time to make regulatory changes following ground breaking court decisions can often lead to inconsistencies across Funds on the approach to the revised payment of benefits.

The Fund is apprehensive to see increased central government control over the LGPS and a reduction of local influence, and would thus appreciate an assurance that there will be widespread engagement across Funds prior to the issue of any statutory guidance.

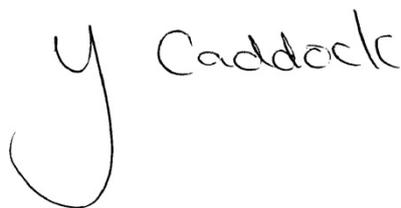
3/ Early access to benefits for deferred members of 1995 Scheme

The Fund agrees to the technical amendment in order to afford members who left with deferred benefits prior to 1 April 1998 (pre-98 members) the same automatic early access rights to benefits from age 55 as afforded other deferred members in the LGPS.

However, the proposal to time limit the facility to claim benefits from 14 May 2018 for a six month period for pre-98 deferred members, should also apply to all other applications to access deferred benefits as a consequence of the enactment of the 2018 amendment regulations. This would limit the opportunity for all members who left with deferred benefits prior to 1 April 2014, from making a backdated application from 14 May 2018. Currently the regulations permit members over age 55 to access benefits from May 2018 at any time in the future and claim accumulated arrears.

I hope the above is useful and assists the Ministry in formulating the final policy position.

Yours faithfully

A handwritten signature in black ink that reads "Yvonne Caddock". The signature is written in a cursive style, with the first letter 'Y' being particularly large and stylized.

Yvonne Caddock
Head of Pensions Administration